ANNUAL REPORT

FORD MOTOR COMPANY OF CANADA, LIMITED

WINDSOR, ONTARIO

PURVIS HALL
LIBRARIES
JAN 23 1946
McGILL UNIVERSITY

YEAR ENDED DECEMBER 31st, 1944

FORD MOTOR COMPANY OF CANADA, LIMITED

NOTICE OF ANNUAL MEETING

April 12th, 1945

TO THE SHAREHOLDERS:

Notice is hereby given that the annual meeting of shareholders of Ford Motor Company of Canada, Limited will be held at the head office of the Company, at Windsor, Ontario, on the 30th day of April, 1945, at four o'clock p.m., eastern daylight saving time, to receive the annual reports, for the election of directors, and for the transaction of such other business as may properly come before the meeting.

The close of business April 16th, 1945, has been fixed as a record date for the determination of the shareholders entitled to vote at the meeting.

Only registered owners of class "B" shares are entitled to vote. Any such shareholder, unable to attend the meeting in person, is requested to complete and return the form of "Appointment of Proxy".

"Appointment of Proxy" forms should be deposited at the head office of the Company not later than forty-eight (48) hours before the time of holding the meeting.

G. G. KEW,

Secretary

BOARD OF DIRECTORS

HENRY FORD, *Chairman*

W. R. CAMPBELL

HENRY FORD II

D. B. GREIG

B. J. CRAIG

OFFICERS

HENRY FORD, *Chairman of the Board*

W. R. CAMPBELL, *President*

HENRY FORD II, *Vice-President*

D. B. GREIG, *Treasurer*

G. G. KEW, *Secretary and Assistant Treasurer*

F. G. BATTERS, *Assistant Secretary*

AUDITORS

CLARKSON, GORDON, DILWORTH & NASH

STATEMENT OF INCOME AND EXPENDITURE

For the year ended December 31st, 1944

(With a comparative statement for the year ended December 31st, 1943)

	1944	1943
Operating profit of the Canadian factory and branches after all operating charges[1]	$ 4,912,283	$ 7,619,964
Portion of the aggregate operating profits for the year of overseas subsidiary automobile manufacturing and distributing companies, withdrawn in the form of dividends received	1,080,442	861,138
Profit on sale of fixed assets	13,986	48,370
Interest on bonds	122,805	135,487
Profit before taxes on income	6,129,516	8,664,959
Provision for income and excess profits taxes:	3,298,000	6,228,000
Less refundable portion	313,000	925,000
	2,985,000[2]	5,303,000[2]
Net profit for the year	$ 3,144,516	$ 3,361,959

(1) Included in operating charges for 1944 are the following items: provision for ordinary and special depreciation $2,076,077, executive officers' remuneration $174,800, solicitors' fees $36,650 and directors' fees $3,000.

Corresponding items charged in 1943 were: provision for ordinary and special depreciation $4,366,456, executive officers' remuneration $174,800, solicitors' fees $23,600 and directors' fees $2,700.

(2) Canadian (less refundable portion) 1944—$2,740,000 1943—$5,047,000
Other countries 1944— 245,000 1943— 256,000

STATEMENT OF EARNED SURPLUS

For the year ended December 31st, 1944

(With a comparative statement for the year ended December 31st, 1943)

	1944	1943
Earned surplus at beginning of year	$ 28,462,860	$ 26,626,782
Net profit for the year	3,144,516	3,361,959
Adjustment of customs drawback claims of prior years after providing for taxes thereon	———	133,079
	31,607,376	30,121,820
Less:		
Dividends paid on		
Class "A" shares	1,588,960	1,588,960
Class "B" shares	70,000	70,000
	1,658,960	1,658,960
Earned surplus at end of year	$ 29,948,416	$ 28,462,860

FORD MOTOR COMPANY

BALANC

DECEMBER

ASSETS

(With comparative balances

	1944	1943
CURRENT ASSETS		
Cash on hand and in banks	$ 2,767,498	$ 4,672,841
Bonds of the Dominion, Provincial or Municipal Governments in Canada, at cost, less reserve	6,251,591	6,219,847
Market value December 31st, 1944 . $6,370,739 1943 . 6,297,095		
Accounts Receivable		
Dominion Government under war contracts	13,468,594	19,095,815
Drawback and refund of customs duties	309,687	720,878
Overseas subsidiary companies	164,182	58,429
Other accounts	1,103,823	1,733,718
Inventories	26,355,370	27,704,235
As determined and certified by company officials based on physical count at August 31st, 1944 (September 30th, 1943) adjusted to December 31st, and priced at not more than the lower of cost or market value		
	50,420,745	60,205,763
Less: Advances by the Dominion Government	13,000,000	20,124,029
	37,420,745	40,081,734
OTHER ASSETS		
Prepaid expenses and deferred charges	313,302	211,616
Portion of taxes on income, refundable under the Excess Profits Tax Act	1,703,000	1,390,000
Shares of subsidiary companies, at cost	11,204,886	11,204,886
	13,221,188	12,806,502
FIXED ASSETS		
Land, buildings, machinery and equipment, at cost	45,322,334	44,725,787
Patents	1	1
	$ 95,964,268	$ 97,614,024

This is the balance sheet referred to in our report to the shareholders of March 29th, 1945.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants

Y OF CANADA, LIMITED

E SHEET

31st, 1944

as at December 31st, 1943)

LIABILITIES

	1944	1943
CURRENT LIABILITIES		
Accounts payable and accrued charges .	$ 10,527,716	$ 12,362,483
Income, excess profits, sales and excise taxes payable in Canada . . .	2,074,589	5,080,069
	12,602,305	17,442,552
RESERVES		
For depreciation of buildings, machinery and equipment	34,534,447	32,829,512
General Reserve	5,500,000	5,500,000
	40,034,447	38,329,512
CAPITAL		
Authorized:		
1,900,000 shares class "A" no par value 100,000 shares class "B" no par value		
Issued:		
1,588,960 shares class "A" no par value 70,000 shares class "B" no par value	13,379,100	13,379,100
EARNED SURPLUS	29,948,416	28,462,860
	$ 95,964,268	$ 97,614,024

Approved on behalf of the Board,

W. R. CAMPBELL, Director
D. B. GREIG, Director

AUDITORS' REPORT TO SHAREHOLDERS

We have made an examination of the balance sheet of Ford Motor Company of Canada, Limited as at December 31st, 1944 and of the related statements of income and expenditure and earned surplus for the year ended that date. In connection therewith we made substantial tests during the year of accounting records at the head office and obtained all the information and explanations we required; we also made a general review of accounting methods and examined the reports on the test audits of accounting records at branches conducted by the Company's audit department.

We report that in our opinion the accompanying balance sheet and related statements of income and expenditure and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31st, 1944 and of the results of its operations for the year ended on that date according to the best of our information, the explanations given us and as shown by the books.

As required by the Dominion Companies Act, Section 114, we report that net profits of subsidiary companies for the year ended December 31st, 1944 have been taken into account only to the extent of the dividends received. The combined profits of the subsidiary companies, as reported to us by their auditors, were in the aggregate in excess of such dividends.

Clarkson, Gordon, Dilworth & Nash,
Chartered Accountants.

Toronto, Canada
March 29th, 1945.

FORD MOTOR COMPANY OF CANADA,

LIMITED

WINDSOR ONTARIO

APPOINTMENT OF PROXY

I, ...a registered owner of class "B" share(s) of Ford Motor Company of Canada, Limited, hereby appoint W. R. Campbell, or Henry Ford II,

or .....

as my proxy, with full power of substitution, to vote for me and on my behalf at the annual meeting of shareholders of the said company to be held on the 30th day of April, 1945, and at any adjournment thereof, upon every matter and question brought before such meeting, to the same extent as I would be entitled to if personally present at such meeting.

Signed this.....day of April, 1945.

.....

Signature of Shareholder

NOTE—Extract from By-Law 1, Section 30: No person shall act as a proxy unless he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or has been appointed to act at that meeting as proxy for a corporation.

William C. Meagher,
216 Townsend St.,
San Francisco, Calif.

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

The annual report of the Company for the year ended December 31st, 1944 including the auditors' report, is presented herewith by the Board of Directors.

Net profit for the year was $3,144,516, equivalent to $1.89 per share and 2 per cent of the total volume of sales. The previous year's net profit was equal to $2.02 per share and 1.8 per cent of the total volume of sales in that year.

The aggregate value of products shipped during 1944 was $157,339,425, being $24,044,345 less than in 1943. This reduction in output was attributable to a work-stoppage of three weeks' duration in the early part of 1944 as the result of a strike by employees; also to suspension of operations for one week for factory employees' vacations, and to the continuation in 1944 of the lower schedule of production established about midyear in 1943 owing to scarcity of labour.

Automotive units shipped during the year totalled 65,528 in comparison with 79,602 in the previous year. Shipments of commercial vehicles and tractors for government approved essential civilian requirements increased from 3,511 in 1943 to 5,980 in 1944, while the number of vehicles supplied for military requirements during the year was 16,543 less than in the previous year.

Operating profit in 1944 was adversely affected by the inclusion in operating charges of costs which pertained to the operations of the previous year. These included the cost of vacations granted

to factory employees by a Finding and Direction of the National War Labour Board in respect of services performed in 1943, and adjustments of charges for shipments on government account. The comparable percentages of operating profit to total volume of sales were 3.49 in 1944 and 3.88 in 1943. The year's profit was also affected by the sale of an increased proportion of products for the civilian market at prices lower than the cost of production and distribution.

Amendments to taxing statutes in 1944 resulted in taxes on income for the year being $444,265 less than would otherwise have been payable. Provision was made for adjusting the average profits of the standard period (1936-1939) by an increase equal to 5 per cent of additional capital employed in the five-year period commencing January 1st, 1939, thus reducing the amount of excess profits tax payable. Provision was also made for a deduction from taxes payable in Canada of an amount calculated to represent the taxes paid by subsidiary companies on the income out of which dividends were paid by them.

Provision of $2,076,077 for ordinary and special depreciation compares with $4,366,456 in 1943. Special depreciation of assets acquired for the fulfilment of war contracts, included in operating costs in 1944, amounted to $455,497 being $2,306,289 less than in 1943. Prices of military products in 1944 were adjusted commensurate with the lower amount of special depreciation in that year.

Working capital at the end of 1944, represented by the excess of current assets over current liabilities, amounted to $24,818,440 and was $2,179,258 greater than at the end of 1943. Advances from the Dominion Government were $7,124,029 lower than at the end of the previous year.

Capitalized additions to fixed assets consisted of foundry and heat-treating installations at a cost of $273,307 and other additions and improvements to machinery and plant costing $761,854. Equipment and other property with a capitalized value of $438,614 was sold or otherwise disposed of, leaving a net addition to fixed

assets of $596,547 for the year. Among the assets sold was the former branch building at London, Ontario, no longer required for the Company's purposes.

Reserve for depreciation of buildings, machinery and equipment was increased in 1944 by $1,704,935, after deduction of $371,142 accrued depreciation on assets disposed of.

Operations of subsidiary companies in 1944 resulted in aggregate net profits of $1,342,621 in comparison with $1,606,865 in 1943. Dividends received from these companies in 1944 amounted to $1,080,442. As at December 31st, 1944 the combined earned surplus of the subsidiary companies, not consolidated with the earned surplus of this Company, was $9,832,155 as compared with $9,477,471 at the end of 1943.

Dividends were disbursed by the Company at an annual rate of one dollar a share in four quarterly dividends of twenty-five cents a share. Earned surplus increased by $1,485,556 to $29,948,416 as at December 31st, 1944.

Mr. Henry Ford II was elected a Director of the Company on April 24th, 1944 and Vice-President on June 30th, 1944, succeeding Mr. C. E. Sorensen who resigned on April 24th, 1944.

For the Directors

W. R. CAMPBELL,
PRESIDENT

Windsor, Ontario
April 12th, 1945.

PRINTED
IN CANADA
ON CHANCHA
PAPER